

QUARTERLY COMMENTARY AS OF MARCH 31, 2025

PIMCO

PORTFOLIO MANAGER:
PIMCO Canada

INCEPTION DATE:
May 12, 2014

CIFSC CATEGORY*:
High Yield Fixed Income

Contributors to relative performance

- Tactical exposure to the equities of recently restructured companies.
- USD and EUR duration positioning.
- Positioning within investment-grade industrials.

Detractors from performance

- Positioning within exposure to high-yield industrials, particularly underweight exposure to manufacturing.
- Overweight exposure to high-yield, particularly via CDX.

Major changes to portfolio in the period

- The portfolio decreased overall credit risk relative to the benchmark over the reporting period. This was mainly driven by a decreased relative exposure to emerging market external debt, investment-grade credit, and securitized, offsetting an increase in relative exposure to the high-yield credit.
- The portfolio reduced relative exposure to emerging markets, particularly in African sovereign, focusing on opportunities that offer an attractive risk/reward balance.
- The portfolio also increased relative exposure to high-yield credit, particularly to the Technology sector.
- Increased overall portfolio duration relative to the benchmark, mainly at the short end of the curve. The fund adjusts duration tactically over the quarter, especially as rates have been volatile.

*CIFSC refers to Canadian Investment Funds Standards Committee. The CIFSC has the mandate to standardize the classification of mutual funds in Canada. <http://www.cifsc.org/>.

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